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UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

Washington, D.C. 20451

NFAC_7989-81

December 3, 1981

OFFICE OF THE DIRECTOR

MEMORANDUM

TO:

James W. Nance, Acting Assistant to the President for National Security Affairs

FROM:

Robert Grey Acting

SUBJECT:

Non-Proliferation Considerations of a Possible Nuclear Reactor Sale to Taiwan

REF:

Your Memorandum of 2 December, Similar

Subject

We appreciate your sending us a courtesy copy of the reference; however, because of ACDA's substantial role in non-proliferation matters, we wish to express an official opinion on this issue, particularly since this Agency played a key role in the formulation of the 1977 Agreement.

We have reviewed the recommendation sent to you from Acting Secretary Clark, and we fully concur in all of its aspects. We also believe that the awarding of substantial contracts for Taipower's reactors 7 and 8 to US vendors will be of considerable significance to the carrying out of the tenets of the President's 16 July statement on non-proliferation and peaceful nuclear cooperation.

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cc: Secretary of State
Secretary of the Treasury
Secretary of Defense
Secretary of Commerce
Secretary of Energy
Chairman, Export-Import Bank
The Director, Office of Management

The Director, Office of Management and Budget The Director of Central Intelligence

United States Trade Representative

Director, Office of Science and Technology Policy